

CONFIDENTIAL
Security Information

04 22 1954

MEMORANDUM FOR: Assistant Director for Intelligence Coordination

SUBJECT : Budget Problem

1. We have reviewed TAB A forwarded by your memorandum of 9 October 1953 concerning the over-all budgeting for intelligence activities. We believe the contents of TAB A accurately reflect the legal implications of this complex problem and, therefore, have no specific objections on legal grounds to use of this paper for discussion and instruction within the Agency.

2. I think we all realize, however, that this is a problem of great magnitude and infinite complications which will be widely misunderstood and subject to wide disagreement both on fundamentals and on details. Consequently the approach to solving the problem requires most careful thought. TAB A represents, in effect, the end product which we hope to attain. I do not believe attainment is possible until the principle is proposed and accepted.

3. Presumably, the machinery is a recommendation of the principle to the National Security Council, but it is suggested that this might be preceded by conversations with the President and the Director of the Bureau of the Budget prior to issuance of any paper for coordination at the IAC level.

4. Until the matter of the approach has been determined by the Director of Central Intelligence, I believe discussion of our concept of the intelligence budget situation should be kept within the interested offices of this Agency.



LAWRENCE R. HOUSTON
General Counsel

cc: DD/I
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